

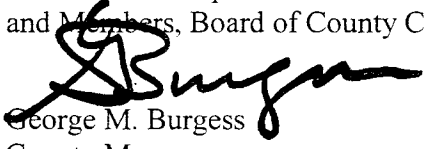


TC

Agenda Item No. 3 (B)

**MEMORANDUM
OFFICE OF THE COUNTY MANAGER**

TO: Honorable Chairperson Barbara Carey-Shuler, Ed. D. and Members, Board of County Commissioners **DATE:** December 11, 2003

FROM: 
George M. Burgess
County Manager **SUBJECT:** Resolution Authorizing
Revised Rental Rates for
General Aviation
Airports

RECOMMENDATION

It is recommended that the Board approve the extension of the General Aviation Airport rental rates effected under Resolution R-282-02, for Opa-locka Airport, Kendall-Tamiami Executive Airport and Homestead General Aviation Airport through March 31, 2004 and also approve the new rates for these airports as recommended by the Aviation Department's Appraiser, Slack Johnston and Magenheimer, effective April 1, 2004 through March 31, 2005 or until the Board adjusts the rental rates.

Additionally, it is recommended that the County Manager or his designee, be authorized to administratively adjust rental rates based on buildings requiring improvement to obtain a certificate of occupancy, regardless of when in the future a certificate is required for any building in the County's Airport System. The adjustment will be based on a reappraisal to determine fair market value following recertification. As has been the practice in the past, it is further recommended that the County Manager, or his designee, be authorized to execute any modification to correct lease agreements that may be necessary to effect the revised rates.

BACKGROUND

The rental rates recommended for approval are based on conditions at the airports, the design and condition of the facilities, and the prevailing market of general aviation rental rates at over 50 general aviation airports in Florida, including small and non-hub commercial airports. The appraisers' research compared the airports' location, size, annual operations, based aircraft, and fuel flowage and focused on rental rates and charges for aviation and non-aviation uses of property. Rates recommended for increase are discussed below as they relate to each of the three airports.

At Opa-locka Airport, increases are recommended for 10 of the airport's 21 buildings. Five of these (Buildings 114, 119, 121, 137, and 209) have been recertified at an average cost of \$212,000 each. Their rate increases reflect the upgraded condition of the buildings and range from \$0.50 to \$0.80 (19.5% - 31.6%) per square foot per year. The rate increases for the other buildings are based on market appraisal and range from \$0.08 to \$0.25 (2.5% - 4.2%) per square foot per year.

The rate for aviation land remains the same while the non-aviation land rate has increased from \$0.40 to \$0.45 (13%) per square foot per year.

As a result of the County mandated recertification of buildings 40 years and older, 21 buildings at Opa-locka Airport were inspected for recertification purposes. Of these, sixteen (16) are planned for demolition while the remaining five have been recertified.

The Aviation Department will fund the cost for recertification of the buildings and will have the buildings reappraised after the improvements are made to determine fair-market value and adjust the rental rates accordingly utilizing the appraisal figure. Recertification costs are reviewed and approved by the Consulting Engineer under the amended and restated Trust Agreement dated December 15, 2002.

Rental rates for tenants and users of the buildings undergoing a recertification process will be adjusted through administrative amendments to the rental rates, as provided for in the Aviation Department leases. The Department will seek recovery of the recertification costs over an appropriate period of time, consistent with the federal law and FAA requirements.

At Kendall-Tamiami Executive Airport, building rate revisions are based on market appraisal and increases range from \$0.14 to \$0.75 per square foot per year (4.9% to 20%). The increases affect 13 out of 18 buildings.

At Homestead General Aviation Airport, the recommended increases range from \$0.17 to \$0.40 (4.8% -20%) per square foot per year in 5 of the 5 buildings. Prior rate increases for Building 2 and 10 were effective in 1996 and again in 2002. The 1996 increase was phased over a five-year period. Increases in the rates for Buildings 3 and 14 were also effective in 1996 but were phased over three years. There were no further increases until this year. The rate for Building 5 has not increased since 1998. Land and pavement rates are unchanged at Kendall-Tamiami and Homestead.

The general aviation rental rates are subject to annual appraisal and revision, which usually takes effect April 1 of each year. However, in as much as the professional service agreement with Slack, Johnston and Magenheimer to conduct a fair-market value appraisal to recommend rentals rates at these airports was approved by the Board on January 23, 2003, under Resolution R-33-03 and the appraisal report was submitted after April 1, 2003, a decision was made to delay the effective date of the new rates rather than implement them retroactively.

Lessees at the subject general aviation airports have been notified of the recommended rates and the dates for the Transportation Committee public hearing and Board meeting when the rates will be acted upon.



Assistant County Manager



MEMORANDUM

(Revised)

TO: Hon. Chairperson Barbara Carey-Shuler, Ed.D.
and Members, Board of County Commissioners

DATE: January 20, 2004

FROM: Robert A. Ginsburg
County Attorney

SUBJECT: Agenda Item No.

Please note any items checked.

- ☐ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Bid waiver requiring County Manager's written recommendation
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ Housekeeping item (no policy decision required)
- ☐ No committee review

Approved _____ Mayor Agenda Item No.

Veto _____

Override _____

RESOLUTION NO. _____

RESOLUTION EXTENDING APPLICATION OF RENTAL RATES APPROVED PURSUANT TO RESOLUTION NO. R.-282-02 THROUGH MARCH 31 2004; ESTABLISHING REVISED RENTAL RATES FOR OPA-LOCKA AIRPORT, KENDALL-TAMIAMI EXECUTIVE AIRPORT AND HOMESTEAD GENERAL AVIATION AIRPORT FOR PERIOD EFFECTIVE APRIL 1, 2004 THROUGH MARCH 31, 2005 OR UNTIL BOARD ADJUSTS RENTAL RATES, WHICHEVER IS LATER; AUTHORIZING COUNTY MANAGER OR DESIGNEE TO ADMINISTRATIVELY ADJUST RENTAL RATES ON BUILDINGS REQUIRING IMPROVEMENTS TO OBTAIN CERTIFICATE OF OCCUPANCY; AUTHORIZING COUNTY MANAGER OR DESIGNEE TO EXECUTE FORMAL LEASE AMENDMENTS AS NECESSARY TO EFFECT IMPLEMENTATION

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum and documents, copies of which are incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby extends the application of the rental rates approved pursuant to Resolution No. R.-282-02 through March 31, 2004; approves the recommendations of the County Manager relating to increases in certain rental rates at Opa-locka Airport, Kendall-Tamiami Executive Airport and Homestead General Airport, such rates to remain in effect for period effective April 1, 2004 through March 31, 2005 or until the Board adjusts the rental rates, whichever is later, all as more particularly set forth in the accompanying memorandum from the County Manager and the report of Slack & Johnston & Magenheimer, State Certified General Appraisers, attached thereto, and hereby establishes the revised rental rates contained therein as being fair, reasonable and nondiscriminatory for the use of the facilities described in the said memorandum and

attachments; this Board authorizes the County Manager or designee to administratively adjust any of the rental rates established by the Board undergoing improvements for a forty-year certification process as necessary to obtain certificate(s) of occupancy, utilizing either of the methodologies described in the attached memorandum to recover such costs through the total rental rates charged to tenants and users of the building, whether the certification improvements are made in 2003 or at any other time, such adjustments to be made without further action by this Board; this Board directs the Aviation Department to place the revised rental rates into effect administratively where appropriate, and further, this Board authorizes the County Manager or designee to execute such formal amendments to existing lease agreements as may be appropriate and necessary to effect implementation of the revised rental rates, without further action of this Board.

The foregoing resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

Dr. Barbara Carey-Shuler, Chairperson
Katy Sorenson, Vice-Chairperson

Bruno A. Barreiro	Jose "Pepe" Diaz
Betty T. Ferguson	Sally A. Heyman
Joe A. Martinez	Jimmy L. Morales
Dennis C. Moss	Dorrin D. Rolle
Natacha Seijas	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 20th day of January, 2004. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as
to form and legal sufficiency. GBK

Geri Bonzon-Keenan

By: _____
Deputy Clerk

**SLACK
JOHNSTON
MAGENHEIMER**
REAL ESTATE APPRAISERS & CONSULTANTS

L. GLENN JOHNSTON, MAI
ST. CERT. GEN. REA RZ443

ANDREW H. MAGENHEIMER, MAI
ST. CERT. GEN. REA RZ1073

THEODORE W. SLACK, MAI
(1902-1992)

THEODORE C. SLACK MAI
(RETIRED)

SUE BARRETT SLACK MAI
(RETIRED)

May 30, 2003

Ms. Carol Ann Klein
Interim Director of Business and Finance
Miami-Dade Aviation Department
P.O. Box 592075
Miami, Florida 33159

RE: Miami-Dade Aviation Department
2003 General Aviation Rental Rate Review

Dear Ms. Klein:

RECEIVED
JUN 23 2003

ASSISTANT DIRECTOR
BUSINESS MANAGEMENT

Slack, Johnston and Magenheimer, Inc. (formerly Slack & Johnston, Inc.) has been retained to provide appraisal services as part of our professional service agreement approved by Resolution R-33-03. The scope of this analysis is limited to estimates of annual market rent for various properties located at Miami-Dade County's general aviation airports. This letter provides summary information in a restricted format. Additional information is included in our files concerning the analysis. This analysis was prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).

The scope of appraisal services includes estimates of the annual market rental rates for various properties at Miami-Dade County's general aviation airports, including Opa-Locka Airport (OPF), Kendall-Tamiami Executive Airport (TMB) and Homestead General Aviation Airport (X51). Our analysis has included inspections of the airports and the improvements, as well as market research of similar aeronautical and non-aviation properties.

Our general aviation rental rate analysis included a review of the method of establishing rental rates and charges. Generally, airports within Florida do not sell; therefore, determining rental rates and charges based on capitalization of sales prices is not possible. There are two generally acceptable methods of estimating rental rates: 1) a market comparative analysis based on market research and 2) a comparison of non-airport (off-port) land and improvement values to airport (on-port) properties. It is our opinion that market research produces the best method of estimating rental rates between similar property types. This method serves as the basis for our estimation of fair market annual rental rates for the Miami-Dade County's general aviation airports.

7

Ms. Carol Ann Klein
May 30, 2003
Page Two

We have reviewed local and national surveys of airport rates and charges. Our research revealed there is limited, reliable survey information available for annual rental rates at airports in Florida. Our research included a direct survey of over 50 public general aviation, as well as non-hub and small-hub commercial airports within Florida. Our market research focused on general aviation rental rates and charges within Florida based on a direct questionnaire, as well as telephone interviews with several airport managers and fixed base operators. This was a direct survey and the reliability of the information collected is considered good.

The primary focus of our survey was rental rates and charges for airport properties, including both aeronautical and non-aviation uses. The airports have been compared based on location, physical size, annual operations, based aircraft and fuel flowage. The data collected includes statistical information described above, as well as rates and charges for various types of airport properties.

Our survey indicates that, although there is a wide variation in geographic locations and non-aviation property values throughout Florida, there are several similarities in rental rates and charges for various components at general aviation airports. Airports were compared based on activity levels relating to geographic locations, physical size, number and length of runways, based aircraft, annual operations and fuel flowage.

In our research, the focus of airport comparisons was based on geographic location and relationships between based aircraft, operations and fuel flowage. The survey information was collected and analyzed for the purpose of comparison to Miami-Dade County's general aviation airports. The airports were compared based on their activity levels, as previously discussed.

Based on our market analysis, we recommend the 2003 general aviation rental rates for Opa-Locka, Tamiami and Homestead General Aviation Airports. The following is a summary of the changes to the rental rates for Opa-Locka, Tamiami and Homestead General Aviation Airports:

Opa-Locka Airport - Non-Aviation Land: Increase recommended for non-aviation land rental of \$0.05 per square foot.

Buildings 35, 39, 40, 41, 45 and 47: Increase recommended for annual building rental rates from \$0.08 to \$0.25 per square foot

Ms. Carol Ann Klein
May 30, 2003
Page Three

Recertified Buildings 114, 119, 121, 137 and 209: Increase recommended for annual building rental rates from \$0.50 to \$0.80 per square foot

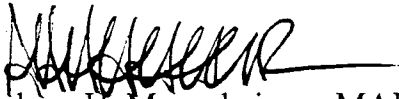
Tamiami Airport - Buildings 102, 109, 114, 121, 123, 221, 222, 225, 227, 228, 229, 247 and 504: Increases recommended for annual building rental rates from \$0.14 to \$0.75 per square foot.

Homestead General
Aviation Airport - Buildings 2, 3, 5, 10 and 14: Increase recommended for building rental rates from \$0.17 to \$0.40 per square foot.

The attached airport rental summaries for Opa-Locka, Tamiami and Homestead General Aviation Airports reflect our recommendations.

Sincerely,

SLACK, JOHNSTON & MAGENHEIMER, INC.



Andrew H. Magenheimer, MAI
ST. CERT. GEN. REA RZ1073

Enclosures

\\MDAD\CAK03RATES

2003 Opa-Locka Airport Rental Summary

LAND RENTAL	Rent/Sq.Ft./Year	
	Current	Apr-03
Aviation Land	\$0.15	\$0.15
Non-Aviation Land	\$0.40	\$0.45

PAVEMENT RENTAL	Rent/Sq.Ft./Year	
	Current	Apr-03
Pavement	\$0.05	\$0.05

Non-Aviation		Rent/Year	
Land Only Tenants/Use		Current	Apr-03
Lease No.	O-584	\$22,651	\$25,483
Vehicular Parking			
Lease No.	O-587	\$3,408	\$3,834
Vehicular Parking			
Lease No.	O-436	\$31,137	\$35,029
Lift Station			
Lease No.	O-585	\$3,000	\$3,375
Vehicular Parking			
Lease No.	O-361	\$65,397	\$73,572
Vehicular Parking			

Non-Aviation		Rent/SF/Year	
Building Tenants		Current	Apr-03
Building repair	190	\$3.30	\$3.45

LAST REVISED 4-3-03
OPF03

BUILDING RENTAL		Rent/Sq.Ft./Year	
Aviation Tenants		Current	Apr-03
Building	35	\$3.26	\$3.34
Building	39	\$3.45	\$3.63
Building	40E	\$6.82	\$6.98
Building	40C	\$5.90	\$6.15
Building	40W	\$6.29	\$6.50
Building	41E	\$5.90	\$6.15
Building	41C	\$5.90	\$6.15
Building	41W	\$5.90	\$6.15
Building	45	\$4.02	\$4.21
Building	46	\$7.25	\$7.25
Building	47	\$4.19	\$4.33
Building	demo 66	\$2.50	\$2.50
Building	100	\$2.13	\$2.13
Building	repair 101	\$1.99	\$1.99
Building	119	\$2.57	\$3.07
Building	121	\$2.53	\$3.33
Building	137	\$2.48	\$3.08
Building	179	\$2.50	\$2.50
Building	180	\$2.50	\$2.50
Building	209	\$2.75	\$3.25
Building	316	\$3.50	\$3.50
Building	406A	\$2.50	\$2.50
Building	412	\$1.00	\$1.00
Building	413	\$2.50	\$2.50
Building	418	\$2.50	\$2.50

2003 Kendall-Tamiami Executive Airport Rental Summary

LAND RENTAL		Rent/Sq.Ft./Year	
		"Current"	Apr-03
Aeronautical Land		\$0.12	\$0.12
Non-Aviation Land		n/a	\$0.60
PAVEMENT RENTAL		Rent/Sq.Ft./Year	
		"Current"	Apr-03
Pavement		\$0.05	\$0.05
FARM LAND		Rent/Acre/Year	
		"Current"	Apr-03
Farm Land		n/a	\$350
LAST REVISED		4-3-03	
TMB03			

BUILDING RENTAL		Rent/Sq.Ft./Year	
		Current	Apr-03
Aviation Tenants			
Building	102	\$2.99	\$3.29
Building	109	\$3.23	\$3.67
Building	114	\$2.86	\$3.00
Building	121	\$3.65	\$4.00
Building	123	\$3.65	\$4.00
Building	221	\$2.42	\$2.60
Building	222	\$1.66	\$1.95
Building	247	\$3.43	\$3.72
Building	504	\$3.74	\$4.49
Building	225	\$2.27	\$2.67
Building	226	\$0.85	\$0.85
Building	227	\$2.97	\$3.26
Building	228	\$3.75	\$4.12
Building	229	\$3.54	\$3.85
Building	490	\$5.07	\$5.07
Building	501	\$6.99	\$6.99
Building	505	\$3.90	\$3.90
Building	507	\$12.50	\$12.50

2003 Homestead General Aviation Airport Rental Summary

LAND RENTAL		Rent/Sq.Ft./Year	
		Current	Apr-03
Aeronautical Land		\$0.03	\$0.03
PAVEMENT RENTAL		Rent/Sq.Ft./Year	
		Current	Apr-03
Pavement		\$0.05	\$0.05
FARM LAND		Rent/Acre/Year	
		Current	Apr-03
Farm Land		n/a	\$300
SHADE HANGARS		Rent/Unit/Month	
		Current	Apr-03
Building	13	\$130	\$145
LAST REVISED		4-2-03	
X5103			


BUILDING RENTAL		Rent/Sq.Ft./Year	
		Current	Apr-03
Aviation Tenants			
Building	2	\$3.50	\$3.67
Building	3	\$2.06	\$2.46
Building	14	\$2.06	\$2.46
Building	5	\$3.24	\$3.47
Building	10	\$3.50	\$3.67

CERTIFICATION

I certify that, to the best of my knowledge and belief, ...

- the statements of fact contained in this report are true and correct.
- the reported analyzes, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyzes, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- my analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the following: 1) the Uniform Standards of Professional Appraisal Practice (USPAP); 2) the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute; and 3) the requirements of the State of Florida for state-certified appraisers.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant professional assistance to the person signing this report.
- the use of this report is subject to the requirements of the State of Florida relating to review by the Real Estate Appraisal Subcommittee of the Florida Real Estate Commission and to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- as of the date of this report, Andrew H. Magenheimer, has completed the requirements of the continuing education program of the Appraisal Institute.

SLACK, JOHNSTON & MAGENHEIMER, INC.


Andrew H. Magenheimer, MAI
ST. CERT. GEN. REA RZ1073